

# Management Strategy: A Program for the '70's

*Following is the text of an address delivered by William B. Macomber, Jr., Deputy Under Secretary for Administration, before employees of State, AID, USIA and ACDA in the west auditorium on January 14:*

In the decades remaining in this century relations among nations will offer greater opportunity and greater peril to the occupants of this earth than ever before.

What this means to those in our profession is awesome indeed. Never has so much depended on our capacity for leadership and on our professional strengths. And because the world has become so extraordinarily complex, dynamic, and dangerous, never before has our role been so difficult.

I want to talk with you today about a "Program for the Seventies" designed to help prepare the Foreign Service and the Department of State to meet the challenge of these decades, and to fulfill our responsibilities to the President, the Congress and the American people.

This is an effort to which Secretary Rogers and Under Secretary Richardson attach great importance. They have asked me to stress today that what we accomplish in this regard will be of far more lasting significance than the handling of a great many of the more transitory matters which you and they must necessarily deal with on a daily basis.

They know, as you know, that there are those outside the Department and the Foreign Service who, also mindful of the challenges ahead, are anxious to impose reforms and "modernization" upon us. But the Secretary and Under Secretary believe, as I am sure you do, that such efforts will be neither as informed nor effective as those we initiate ourselves.

Some outsiders say that we cannot do the job from within. Implicit in my remarks today is the conviction that this is wrong.

## II

We start with a number of assets. First and foremost is the ferment for change within the Department and the Foreign Service. Second is the farsighted and flexible character of our basic legislation, beginning with the 1946 Foreign Service Act and culminating in last year's Hays Bill. Finally, starting with the Hoover Commission and reaching through the Herter Committee and the recent American Foreign Service Association reports, we have on hand the results of a series of very helpful studies on how the Department should gear up to meet the requirements of a modern diplomacy. There has been a great deal of thinking about this problem by my predecessors and others in and out of the Department and the Foreign Service. Under the leadership of my predecessors much preparatory work has been done towards implementing the many recommendations that have grown out of the earlier studies.

Many of the ideas I will present today are distilled from those earlier efforts. Their newness no longer jars. The ground-work for what we seek has been laid. We are asking not for revolution but for the acceleration of an evolution which has already begun.

And let me make another important point. Despite this Administration's marked determination to advance this evolution, we will assume that no matter how sound our ideas may be, it is not wise to attempt to make these changes simply by fiat.

Rather, our success will be more significant and lasting if those most directly affected are involved in the creative and implementing process and are convinced of the wisdom of what is proposed. In the weeks immediately ahead therefore, we will set up task forces to work on almost all the areas I will talk about today. They will be composed of a wide selection of Foreign Service and Civil Service employees of this Department—wide in terms of experience, functional specialty and age, and they will be assigned specific tasks and precise deadlines.

And I hope that our sources of ideas will not necessarily be limited to those of you serving as members of task forces. I invite everyone in the State Department to pass their thoughts along to the task forces or to my office. And I also invite employees of our sister foreign affairs agencies to send in suggestions through their representatives on the Board of the Foreign Service.

## III

Let us begin today by taking an honest look at ourselves. And we do not have to start by being apologetic. The quality of our personnel—its brain power, integrity and dedication—is, I believe, unexcelled anywhere.

But from a management point of view, our critics have more to go on. They exaggerate of course. But to use a modern phrase, management has not been our bag.

At the conclusion of World War II the State Department and the Foreign Service played a major part in developing acceptance among their fellow citizens of the new role America was necessarily to play in the post-war world. But organizationally and managerially, the State Department and Foreign Service had, and have had ever since, great difficulty in adjusting to the requirements of that new role. This has been true, despite the valiant efforts of a number of our more farsighted colleagues.

As you know, we are an organization which has traditionally been comfortable with policy-making and with negotiating and promoting that policy abroad. We have understood the importance of tact, sensitivity and persuasiveness. But we have tended to be intuitive in nature, weak in planning and unenthusiastic about management. In retrospect, it is clear that these change-resistant instincts have caused a great share of our difficulties.

Our problems started in the years immediately following World War II, years of enormous creativity on the American foreign policy scene, with the development of new instrumentalities such as USIA, Foreign Aid and CIA. Those and many established Departments

# News Letter

No. 105 • January 1970

## THIS ISSUE



The News Letter is published monthly by the Department of State to acquaint its officers and employees, at home and abroad, with developments of interest which may affect operations or personnel.

The deadline for submitting material for publication is the 20th of each month.

Contributions from the field may be submitted by an Operations Memorandum with the subject title: News Letter.

To the Department, contributions should be in writing and addressed to the News Letter, O/PA, Room 7419.

The Department of State News Letter, primarily intended for internal communications, is now available to the general public through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

A domestic subscription rate is \$4.50 a year. There is an additional charge of \$1.00 for foreign mailing. A single copy sells for 40 cents.

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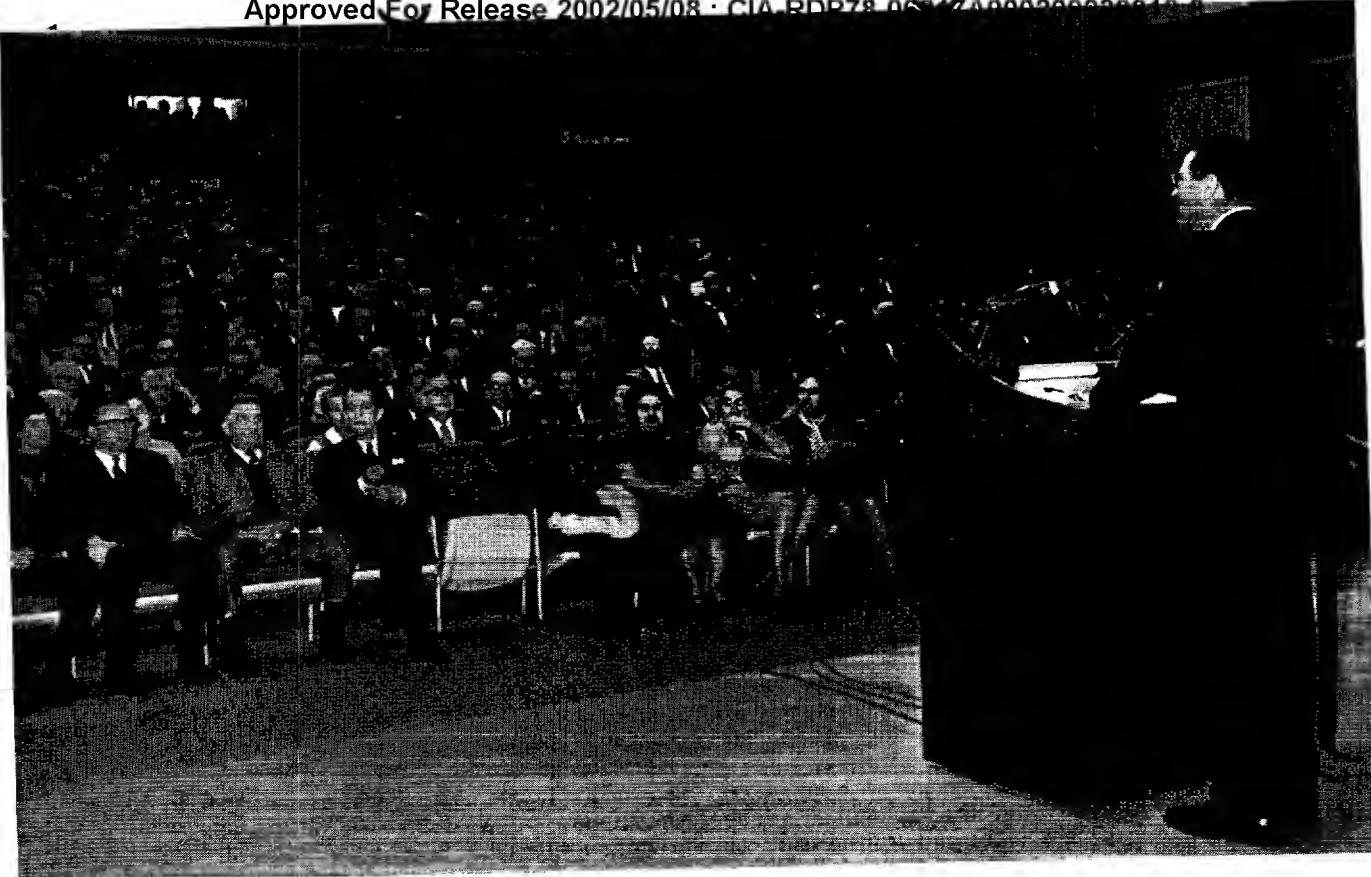
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THE COVER—Vice President and Mrs. Spiro Agnew listen as a Thai official describes features of the Temple of the Emerald Buddha in Bangkok on January 4. Mr. Agnew conferred with Asian leaders during an 11-nation tour. See another photo on page 15.



Mr. Macomber discusses his "Program for the Seventies" before a capacity audience in the Department's West Auditorium.

of Government began legitimately to play an ever-increasing role in U.S. foreign affairs. Unfortunately, when faced with these developments, the instinct of the traditional foreign policy establishment was to protect its exclusiveness and high standards.

There were reasons for that effort—at a time when the new agencies were being staffed with only occasional adherence to optimum personnel standards. But we—the Department and the Service—lost a good deal too. We did not participate to the degree we should have in the important work of developing these new agencies. We were not organized to do so managerially, and we did not have the specialists required. We thus began "to lose control of the action."

Nevertheless, Presidents have continued to look to us as their principal staff arm in forging a national policy out of the spectrum of diverse, specialized and often parochial foreign affairs interests scattered throughout our Government. And Presidents have continued to expect this Department to insure that our complex and wide-ranging governmental activities abroad are coordinated and carried out in a manner consistent with the policies they have determined.

But in the intervening years we have not been as systematic, competent and aggressive as we should have been in meeting these responsibilities.

It is true that during these years the Department has been led by a series of strong Secretaries of State, all of whom have had remarkable ties of friendship and personal influence with their Presidents. But the personal influence of Secretaries of State and the institutional role played by the Department should not be confused. The key fact is that as an institution, despite

many brilliant performances along the way, we have not met the challenge of foreign affairs leadership as successfully as we might have. Our failure to do so has caused frustration. And it has raised a clear prospect: either we produce the improvements necessary to meet this challenge or, as I have suggested, this will be done for us.

To meet this challenge, we do not need more broad-gauged studies for the time being. The ones we have provide us with an excellent base from which to move. The need is not for more studies of this type but rather to implement the ones we have.

This is not to say, of course, that we are done with the need for studies. But the kind we require now are of a more specific nature and targeted on specific problems. Throughout my talk today I will suggest a number of areas where I think, working together, we should carry out these more specific studies.

Let me stress again that the need now is for a joint effort to implement what has already been thought out. As Secretary Rogers says, "Let's quit talking about the problem and start solving it."

#### IV

At this point, let's also put to rest two old arguments which have seriously inhibited our modernization process: (1) whether we should be generalists or specialists, and (2) whether we should be strictly policy-makers or operators and managers as well.

Some years back it was often said in this building that the State Department did not run anything well; that that was not its capability; that its capability was to formulate and promote policy.

In the intervening years it has become clear that we

can no longer take refuge in that tidy division of talent. For now it represents an abdication of responsibility. We still must take the lead in policy formulation, but if we are really going to lead we must also be prepared to manage and orchestrate the overall spectrum of our nation's activities abroad.

Regarding the issue of generalist versus specialist, clearly the age of the specialist is here. But while the era of the generalist is past, the need for what I call the generalist "core" skills is not. In fact the need for these skills is greater than ever, and no future officer—no matter what his specialty—can afford not to have mastered them. What I am saying therefore is that we need more specialists—but all with a command of the "core" diplomatic skills.

By core skills I mean, among others, the ability to negotiate a result which is essentially to our advantage but which leaves a situation not so unsound or one-sided that it will fester and ultimately come undone. This is the consummate art of the diplomat, whether he is dealing with small matters or great. Another core skill is the capacity for objective and penetrating analysis. Another is that subtle combination of tact, persuasiveness and character which produces the capacity to win the confidence of others. Another is the discipline of accurate reporting without which any diplomat is a menace. Still another is the mastering of foreign languages.

We have done an increasingly good job with language training. But on the whole we do not pay enough attention to the systematic development and transmission of the other core skills. Take the negotiating skill. As it is now, each generation tends to learn this on a trial and error basis. And when that generation retires and a new one comes along, the process is repeated. No system can produce instant negotiators, but we can I think find more systematic ways to learn this art and to use more effectively the experience of one generation to help in the development of the next.

But I said a moment ago that the age of the specialist is here. Perhaps the most striking thing about modern diplomacy is the diversity of activities it encompasses—both within the State Department and throughout the U.S. foreign affairs community. Equally striking therefore is the diversity of skills and knowledge now required, both to staff the Department's own traditional functions and also to allow it to carry out its external coordinating role. We still need History and Political Science majors, but we need much more. We must therefore adjust significantly our personnel recruitment and development practices.

And also of course the diversity of personnel and function, both in the State Department itself and throughout the spectrum of U.S. foreign activities, dramatically underscores the premium we must place on the development of coordinating and management skills.

So if the Department is to perform its leadership role in the remaining decades of this century, it must build a personnel system which develops specialists, which instills the core skills in all personnel regardless of specialty and which produces experienced and effective managers.

An important key to accomplishing this is to refine and fully institute a "functional specialization" personnel system.

## V

What we have in mind is the full development, and

## Bray Welcomes '70's Program

Deputy Under Secretary Macomber's address in the west auditorium on January 14 evoked a warm response from a spokesman for the American Foreign Service Association. Said Charles W. Bray, III, new Chairman of AFSA's Board of Directors:

"While we have not yet had time to examine the details of Mr. Macomber's 'Program for the 70's,' it appears to be one of the most important initiatives taken by the Nixon Administration in the field of foreign affairs."

"We are pleased that Mr. Macomber intends to involve a large number of his employees in elaborating his program; failure to do so contributed importantly to the blunting of previous reform efforts."

"Those of us who have labored in the vineyards of reform for almost four years can only welcome this sign of the Administration's commitment to constructive change in organization and personnel administration."

implementation in the next few months, of a five-category system. The first four functional specializations would be political, economic/commercial, administrative, and consular. I will come back to the fifth in a moment. From now on we think our basic policy should be to recruit officers for one of these specific categories. We should ascertain how many recruits we need for each, based on the projections of the five-year manpower planning mechanism we intend to develop. In following this system I think we can obtain a much wider range of background and aptitude than we have had up to now in the new officers entering the service. To target on the people we want, we would propose to use the following devices:

- the new written examination would emphasize aptitude over specific academic knowledge so as to broaden the base of candidates.
- oral examination panels would be divided up by functional specialization.
- a permanent system of recruiters would be established in business schools, universities and through the Public Members Association.
- selection procedures would be considerably shortened so that we do not lose many of our best applicants.
- the idea of joint recruiting with AID, as we already do with USIA, would be explored.
- every effort would be made to supply the applicant in advance with sufficient information about the nature of, and aptitudes required for, each functional specialization so that he can make an informed selection. Moreover, if later in his career it appears that his interests and aptitude would indicate a shift in specialty, we would be as flexible as possible in effecting this.
- in addition, the panel would be authorized to recommend to an applicant that he change his choice of specialization, if this seems appropriate as a result of its interview with him.

While we are on the subject of recruiting, I have long felt that we overlook one of the best sources of new blood in our own house. Accordingly, to borrow a Navy-Marine Corps phrase, I recommend that we

Approved For Release 2002/05/08  
develop a *Mustang* program for the Department of State. I would like supervisors at every level in this building to identify and encourage junior employees who have the wish and aptitude for officer careers. At the same time, we shall use our training resources to the maximum in filling the education gaps of these employees to help them aspire to positions of officer rank. I especially hope that this program will effectively supplement our continuing minorities program.

Turning back to the functional specialization system, with the exception of occasional broadening assignments in other fields or agencies, most officers recruited for a particular specialty will be expected to spend the bulk of their careers working in assignments that fall into that specialty. They will compete for promotions by specialty and not across the board; officers in a given specialty will have the opportunity to rise to the top echelon of each specialty and the way will be kept clear for that purpose.

For example, we are not going to appoint political specialists Consuls General as consolation prizes if they fail to become Ambassadors or Deputy Chiefs of Mission. We believe that most important consular posts should be held open for consular specialists.

And those officers in all fields demonstrating executive talent will be moved across specialty lines and will provide a pool of managers for program direction positions, but I will return to this in a moment.

We will expect the four basic personnel specializations—that is Political, Economic/Commercial, Administrative and Consular—to be manned largely by Foreign Service Officers. You are all familiar, of course, with the type of work normally performed by each of these groups and I need not elaborate further on it here. I would like to stress, however, that in the future in all four categories we are going to expect a greater effort and competence in trade promotion. And in two of our personnel specializations—Consular and Economic/Commercial—trade promotion will be a responsibility equal to any other they carry.

I said earlier we plan to have a fifth personnel specialization. We suggest that the fifth specialty be manned however by Foreign Service Reserve Unlimited Officers (FSRU's), a category which we now have available to us under the provisions of last year's farsighted Hays Bill. This category will be reserved for scientific specialists, doctors, nurses, security officers, communicators, building engineers, permanent faculty members of the Foreign Service Institute, and other specialists with unique skills who are going to play a permanent and important part in our career system.

Under our present thinking no one will be eligible for an FSRU appointment who is not prepared to serve abroad. However, the ratio of time spent abroad and in the United States will vary markedly from the FSO specialty areas.

FSRU's will be included in the Foreign Service retirement system and will be subject to selection-out. But the rules for selection-out, time in grade, and so on will be much more flexible than in the four "line" specialties.

As I have said, we want the five categories manned by FSO's and FSRU's. Officers who are presently in the GS system and Foreign Service Staff Officers will be invited to convert their status. We hope many of them will convert where their work clearly fits into one of the five specialty areas. For example, it would seem to us that many Foreign Service Staff Officers would

make excellent conversions in the consular and administrative fields of specialization. I would stress, however, that if they decide not to convert, that is their decision, and it will be respected and accepted without prejudice to them. But in the future we would expect new recruits for these areas of specialization to be Foreign Service Officer personnel.

Before proceeding with the conversions I have mentioned, however, we will need to complete, on a priority basis, the updating of an inventory of our needs in each of the five State Department specializations.

In the process of developing this inventory, we intend to emerge with a projected five year rolling personnel plan—always set up five years ahead, but reviewed and altered on an annual basis.

After comparing our requirements with the number of Foreign Service Officers now in those specialty areas, we will look at the number of additional persons we need in each one and at what the appropriate grade levels should be for each existing opening. After we have identified the number and levels of openings, we will fill them by lateral entry from our GS and those of our FSR and Foreign Service Staff Officers who are interested in converting.

Let me say parenthetically a word to the FSR's without re-employment rights. Those officers, unlike Civil Service and Foreign Service staff personnel, are not in a position to retain their present status indefinitely, even if they wish to do so. Not only is there a legislative time limit running on their reserve appointments, but more immediately we are under instructions to reduce the total number of employees in the Department between now and June 30. Some FSR's will become eligible for integration into the FSO and FSRU specialties, but some others regrettably will have to leave the Department.

We will, of course, continue to have many Civil Service colleagues in important positions in the Department which do not have counterparts abroad, such as, for example, our lawyers, intelligence specialists and other types of specialists. In the clerical and secretarial area we shall also continue to have many Civil Service employees who for family or other reasons cannot serve abroad. We will thus continue to be deeply dependent on both officer and clerical-level Civil Service personnel. And management must insure that their interests are appropriately supported and protected.

Before leaving the subject of personnel resources, a word is in order about regular lateral entry into the career FSO and FSRU ranks. And this is quite apart from the special conversion program I have just spoken of in connection with the installing, over the next few months, of our five-category functional specialization system. Our problem in the past has been the erratic use of lateral entry. It is obviously not helpful to a career system to insert into it widely-fluctuating numbers of outside personnel from year to year, thus foreclosing promotional opportunities.

On the other hand, our system becomes isolated and weakened if it does not, on a regular basis, infuse itself at the middle and senior levels—in a limited but constant way—with talents and experience developed outside. We should plan for the day, therefore, when we can absorb on an annual and steady basis a relatively unfluctuating number of lateral entrants—thereby helping to preserve an openness in our system without disrupting the pace of normal career advancement.

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## Chiefs of Missions in Latin America Meet at Mexico City

MEXICO CITY—U.S. Chiefs of Missions throughout Latin America met in Mexico City December 11-13.

Under Secretary Elliot L. Richardson flew in from Washington to attend their sessions. He is shown in the front row, center.

Others in the first row are, from the left:

William B. Macomber, Jr., Deputy Under Secretary for Administration; Frank J. Shakespeare, Director, U.S. Information Agency; Charles A. Meyer, Assistant Secretary for Inter-American Affairs; and Robert H. McBride, the host Ambassador.

Other Chiefs of Mission in attendance were: Ambassador Charles W. Adair, Jr., Uruguay; Ambassador Taylor G. Belcher, Peru; Ambassador William G. Bowdler, El Salvador; Ambassador Kennedy M. Crockett, Nicaragua; Ambassador Nathaniel Davis, Guatemala; Ambassador Eileen R. Donovan, Barbados; Ambassador C. Burke Elbrick, Brazil; Chargé Francis W. Herron, Venezuela; Ambassador Spencer M. King, Georgetown; Ambassador Clinton E. Knox, Haiti; Ambassador Edward M. Korry, Chile; Ambassador John Davis Lodge, Argentina; Ambassador

Francis E. Meloy, Jr., Dominican Republic; Chargé Sandy M. Pringle, Costa Rica; Ambassador Vincent de Roulet, Jamaica; Ambassador Hewson A. Ryan, Honduras; Ambassador Robert M. Sayre, Panama; Ambassador Edson O. Sessions, Ecuador;

Ambassador Ernest V. Siracusa, Bolivia; Ambassador J. Fife Symington, Trinidad and Tobago; Ambassador Jack Vaughn, Colombia; and Ambassador J. Raymond Ylitalo, Paraguay.



LA PAZ—Ambassador Ernest V. Siracusa, at the left, who is the new U.S. envoy to Bolivia, presents his credentials to President Alfredo Ovando Candia. The Ambassador—a career diplomat—formerly was Deputy Chief of Mission in Lima.

# U.S. Handicapped Athletes Make A Goodwill Tour

Approved For Release 2002/05/08 : CIA-RDP78A00200030013-8  
By JAMES M. MACFARLAND

Forty-four U.S. handicapped athletes, including eight disabled veterans, made a goodwill visit to South America November 27-December 23 during which they won top medal honors at the Pan-American Wheelchair Games in Buenos Aires and put on demonstrations of wheelchair sports in Rio de Janeiro.

In greeting the paraplegic and amputee athletes in Rio de Janeiro, Minister William Belton, Chargé d'Affaires, said that "goodwill missions such as yours serve to foster better relations between nations and to improve the American image abroad." He expressed the hope that America's "Wheelchair Ambassadors" would continue their foreign visits and demonstrate to the world that handicapped people, when properly rehabilitated and trained, can make valuable contributions to the social and economic lives of their countries.

At the Second Biennial Pan-American Games, the U.S. team of 21 men and 13 women (including 54-year-old Mrs. Marilyn Woods of Reeds Ferry, New Hampshire, who was the oldest of the 255 contestants) amassed a total of 572 points which was 101 points more than the 126-member Argentine contingent, according to the unofficial standing.

The U.S. athletes won 68 gold medals, 61 silver and 49 bronze. Canada was third in points with 218 and Jamaica fourth with 43. Next in order were Chile with 14, Trinidad-Tobago with five, Brazil and Uruguay with four each, and Mexico and Peru with one each.

Events included in the week-long competition held in the Argentine capital were wheelchair and swimming races, table tennis, archery, discus, javelin, shot-put, weight-lifting, slalom and team basketball. In all events except swimming and weight-lifting, the competitors were in wheel-

*Mr. Macfarland, a U.S. Information Agency Officer, is on detail as Special Assistant, The President's Committee on Employment of the Handicapped. He served as Escort Officer for the U.S. Wheelchair Athletic Team during its recent goodwill visit to South America.*



RIO DE JANEIRO—Minister William Belton, Chargé d'Affaires at the U.S. Embassy, center, and Benjamin H. Lipton, Chairman of the U.S. Wheelchair Athletic Association, right, chat with U.S. paraplegic athletes during their visit. At the left of Mr. Belton is John Mowinckel, Public Affairs Officer.

chairs. There were five separate classes depending upon the degree of disability of the contestant.

Miss Rosalie Hixson, 24-year-old activities director at a home for the elderly in Phoenixville, Pennsylvania, was the Games' leading point-scorer. She won 14 medals, including six gold, for a total of 42 points. Alonzo Wilkins, 39-year-old disabled Korean War veteran who is a self-employed watch repairman in New York, returned home with five gold medals and a total of 32 points. And Clifford Crase, 30-year-old former U.S. Air Force navigator who is now a Phoenix, Arizona, securities analyst, won three gold medals, two silvers and a bronze in the class for quadriplegics.

The wheelchair sports demonstrations arranged by USIS-Rio de Janeiro were well attended and resulted in considerable objective newspaper, radio and TV publicity with commentators remarking that "our North American friends proved to us that the handicapped can do a lot of things that we never realized people with disabilities could do."

In an address at the ceremonies opening the Pan-American Games,

Dr. Ludwig Guttmann, President of the International Sports Association for the Disabled and founder of the Stoke Mandeville (England) Spinal Injury Center, said that athletic activities are "proving to be an ideal method of furthering the physical and psychological rehabilitation and social reintegration of countless thousands of the world's handicapped citizens who only 25 years ago would have been considered hopeless invalids and outcasts of society."

At the closing ceremony in Buenos Aires, each competitor was presented with a "meritorious award" certificate for participation in the Pan-American Games by the U.S. People-to-People Committee for the Handicapped.

## U.S. Band Plays in U.S.S.R.

The 25-member University of Illinois Jazz Band completed a tour last month of the Soviet Union.

The Illinois musicians' tour was made under the Cultural Presentations Program of the State Department. The group performed for Soviet audiences in six cities.

Approved For Release 2002/05/08 : CIA RDP78-06217A000200030013-8  
That effort must be largely deferred in the short run, however, until we can complete our effort to absorb as many as possible of the excellent officers in the vulnerable FSR position I have just alluded to.

We will also have to provide a more satisfactory means of appointing a few high-level personal assistants to Presidential appointees. This type of official, who moves in and out of the Department as the party in power changes, clearly does not fit into our permanent career appointment system nor on the other hand should he be limited to a 5-year Foreign Service Reserve appointment. A more flexible device, reminiscent of the old Schedule-C authority, must be found to appoint such officials for the duration of their principals' tenure.

I am pleased to report that USIA and AID have agreed, at the request of the Board of the Foreign Service, to explore the possibility of further developing and formalizing similar functional specialization personnel systems in their organizations. What we hope to end up with is a family of personnel systems so compatible and interchangeable that it is academic whether they are merged into one system or not.

## VI

But basic to our program for the 70's is not just the development of specialization on the one hand, and the mastering of the core diplomatic skills in all specialties on the other. There is, as I have already indicated, an equally critical need to be met by our personnel system. That is to develop managers, people at the senior executive level who are capable by training and experience of managing the overall foreign affairs efforts of the United States.

An absolutely essential requirement for our future Ambassadors, Deputy Chiefs of Mission, Assistant Secretaries, Deputy Assistant Secretaries and counterparts in our sister agencies is the capacity to manage. They will have to be more than very successful substantive officers. That type of experience will not be enough to prepare them for the basic management responsibilities of coordinating and orchestrating inherent in these top positions.

The key to our system, then, will be to spot our potential managers early and, having identified them, to insure that they have a chance to be tested by experience in management. Our interchange of personnel will not be limited to functional specialties within the Department. There is greater management experience to be found in AID and USIA than in many sections of the State Department. This type of experience also gives our people a better understanding of the workings and objectives of our sister agencies—and those agencies are not going to accept fully our orchestrating and coordinating role unless they are also convinced that we fully understand their work.

Conversely, AID and USIA officers would gain from experience in this Department, which would give them a better understanding of our own objectives and methods. In the process we hope to broaden significantly the base of career officers from which to select executives for senior management positions. In other words, while a majority of top diplomatic assignments will continue to come out of our Department, they will not be limited to this source, and we will be looking across the range of eleven or twelve AID-State-USIA specializations in our search for senior executive talent.

We should also I think be developing greater ex-

change possibilities with, and looking for potential top managers from, the other major foreign policy and departments which play important roles in the foreign affairs community.

## VII

Within our own specialization categories, we think we can get younger officers off to a faster and more interesting start by beginning cross-specialty and other agency assignments earlier and by lowering position levels to provide more meaningful job experience for junior and mid-career officers. This effort is important because cumulative experience in the craft of diplomacy, in the exercise of management and in the mastery of specialization is a key commodity this institution must, in the national interest, steadily supply. And we cannot afford to waste time in starting our young officers in the process of getting this experience.

But the reverse of the coin is that it makes no sense to sacrifice older and more experienced officers—just on a "youth must be served" basis. We are going to keep the promotion channels unclogged. We are going to correct the top-heavy character of our system. We shall be ever on the lookout for older officers who have lost their drive. But let's keep our perspective. It is our more experienced and senior officers who are our principal current assets in the immediate effort each day to protect the interests of our country and to keep the world from uncashing its megatons. Neither youthful impatience nor the responsibility and natural enthusiasm that management has for the rapid development of younger officers' potential must blind us to that fact.

There is one caveat to what I have just said however, and it is this. Older and more experienced officers do not seem to have natural advantages in the critical areas of creativity and innovation. Here, clearly, our younger officers should feel neither humility nor inhibition. In fact, it can be argued that creativity can better come from those who do not already know too many reasons why too many things won't work. I will return to this problem of creativity in a moment. For now, suffice it to say to my younger colleagues: "The sky's the limit. Let's see what you can do!"

## VIII

A career development system is only as sound as its performance appraisal and promotion policies. Our present performance evaluation system is inadequate for an era in which we are encouraging professional specialization, and even more important, initiative and assertive leadership. We will therefore want to take a hard look at our evaluation procedures, and also find better ways to assure the promotion of officers displaying these qualities.

Now let me say a word with respect to retirement and selection-out. I am very pleased that legislation pending before Congress will give FSO's the same benefits that their Civil Service colleagues receive, and will make early retirement fairer and more attractive.

However, this development will not entirely solve the problem of senior congestion in the Department. The rank structure of our Service resembles an inverted pear, and it has become more misshapen in recent years. As a result, we have had to recommend, and the Board of the Foreign Service and the Secretary have approved:

—recommending legislation to the Congress reducing the mandatory retirement age for Career Ministers from 65 to 60.

In addition we shall:

- be prepared to use section 519 of the Foreign Service Act which permits the retirement of former Ambassadors for whom there are no longer suitable positions available.
- continue to use selection-out.
- facilitate early retirement by searching for ways to improve our "counseling-out" and outplacement services—and if possible, obtain authority for monetary incentives as well.

Even these measures, however, may not solve the fundamental problem. If not, we will want to turn to such other means as providing retirement annuities for Foreign Service personnel who have completed 20 years of service. We do not want to attract people who are only interested in a 20-year career, but because of the competitiveness of our system, we want to provide fairly for good men and women who will be with us only that length of time.

Finally, there are a number of problems involving personnel prerequisites we plan to look into. For example:

- there are inequities between the Civil Service and the Foreign Service transfer allowances.
- we hope to extend education allowances abroad to cover kindergarten.
- widows of Foreign Service personnel who die abroad should continue to receive housing and other allowances for a reasonable period of adjustment.
- additional medical benefits are needed.
- the Civil Service Commission has been considering a number of improvements which we fully support for our own GS employees; for example, optional retirement after 30 years regardless of age and a full 2% annual retirement compensation rate.

Before leaving the subject of personnel, I would like to announce an important new position. As a result of a recommendation made by the American Foreign Service Association and the Board of Foreign Service, we have authorized the establishment of an Office of Welfare and Grievances in the Department of State. The Director will be a senior, able and highly respected officer who will have wide authority to investigate and advise on personnel grievances and wrongs. His name will be announced shortly, his scope will be unlimited, and he will report directly to me.

## IX

Now let me turn to certain non-personnel aspects of the way we manage our affairs. Here again, as a result of earlier studies, we already have a great many useful recommendations about organization and management to choose from.

There have been a number of suggestions made with respect to re-organizing the top structure of the Department, and the Secretary is considering certain possibilities in this regard at the present time.

However that may develop, I hope we can maintain the principle that a career officer would always occupy at least one of either the current Under Secretary or Deputy Under Secretary positions, and that an incoming administration would retain at least one occupant of these top four positions. A number of administrations have resisted the idea of a "Permanent Under Secretary" and of course no administration can bind a

successor to accept this device. What I am suggesting is a compromise. In this way an incoming administration would maintain a wide range of choice with regard to its selection of top management personnel, while at the same time preserving an element of continuity.

## X

But as any bureaucrat knows, changes in tables of organization, significant as they may be, are never final and never finally solve basic management problems.

More fundamental to management success are: first, the attitudes and approach that managers at all levels bring to their jobs and instill in those about them; and second, the management tools we are continually developing and making available throughout our organization.

Here again however, there are no final answers, for the process of improving management must always be a continuing one. But our "Program for the 70's" can establish goals, identify areas to work on and directions to move in.

With respect to attitudes and approach, let us recognize that, while persistence and consistency are important in foreign policy, an essential key to our ability to lead lies in whether we produce ideas. We are quite effective in coming up with short-term practical ideas. Since that creative period following World War II, however, our record for producing new ideas of long-term significance is not a notable one.

Even with respect to short-term tactical ideas, it is important that we find improved ways to insure that we come up with them before we are overtaken by events. If we can get the jump on situations, if our ideas are sound, and we are aggressive and persuasive in asserting them, we will lead. If not, others will. So timely as well as longer term creativity lies at the heart of our problem and becomes a major goal.

It is the job of management to establish conditions designed to promote such creativity. One obvious way is to give all our people more time to focus on new ideas, alternative solutions and imaginative tactics. But messages to and from the field are so voluminous that officers here and abroad do not have this essential time. We want officers in the field to report less—to send a minimum of fragmentary factual reporting—and to have more time for making contacts, for creative thinking, for analytical and reflective reporting. This, along with allowing more time for creative thinking, by our Washington-based officers, is the objective of the reporting reduction operation currently underway.

The Open Forum Panel has been a useful new device for encouraging more innovative thinking and more constructive dissent. But we must find additional ways to insure that officers at all levels are more effective in developing alternatives to the ideas of others before final decisions are taken. As I have suggested, we would like to gear promotions more closely to the display of these qualities. We will also wish to examine clearance procedures to see what can be done to prevent their stifling dissent and creativity.

But however much we succeed in stimulating creativity, we must also develop more fully the management instruments available to us.

To begin with, we have seen the evolution of what are now known as the Under Secretaries Committee and the Interdepartmental Groups. They are chaired respectively by the Under Secretary of State and our regional Assistant Secretaries and now play a critical role in the National Security Council machinery. They

present us with an important opportunity to strengthen through our ~~Approved For Release 2002/05/08 : CIA-RDP78-06217A000200030013-8~~ leadership role we covet as, of course, does the fact that the ranking departmental executive on the National Security Council is the Secretary of State.

To strengthen our performance, we are developing a new staff on the 7th floor known as the Planning and Coordination Staff. Its duties are to provide policy analysis and advice for the Secretary on the near and long-term implications of important policy issues.

Second, it backstops the work of the Under Secretaries Committee which, in addition to being an integral part of the NSC machinery, is the senior operational foreign policy committee in the Government.

Third, it backstops our other activities in connection with the NSC, namely the work of the Secretary, of the members of the NSC Review Group, and of the Assistant Secretaries with the interdepartmental groups they chair.

Next, it performs the traditional long-range planning functions of the former Policy Planning Staff.

The Executive Secretariat is the other half of what might be called the Executive Office of the Secretary of State. Its functions—the coordinating of day-to-day operations and monitoring priorities of time allocation for the 7th floor officials—are extremely important.

In connection with the latter function, we all know that the Secretary and Under Secretary must necessarily spend much of their time dealing with important crises of the moment. When time is left over from such fire brigade exercises, the natural tendency is to turn to matters which aggressive desk officers and aggressive Assistant Secretaries have gotten before them. This may mean that the 7th floor is responsive to the most energetic quarters of the Department rather than to the areas which on a priority basis most need their attention.

It is the job of the Secretariat to make sure this does not happen, that top management's attention is directed to what from an over-view appears to have priority.

I have referred to the Assistant Secretary-level Inter-departmental Groups. Here, as in other activities we chair, we cannot and should not operate as a czar. But these groups represent a promising leadership tool for the State Department as well as a very useful management tool for the Department and all other IG members.

In the days ahead we will also want to carry these management concepts and tools more effectively down to the country director level. At that level, the leadership operation is more informal and much of its success will continue to depend on the skill with which the Country Director operates and on his ability to win the confidence of others in the foreign affairs community dealing with his country at that level.

One of our foremost needs, in order to strengthen the Department's leadership performance in these inter-departmental activities, is to find more systematic ways of (1) defining foreign policy objectives, (2) establishing priorities, and (3) allocating resources.

We will particularly wish to work with the regional Assistant Secretaries here, because it is at this level where the need is especially important. The trend now is for Deputy Assistant Secretaries to follow either specific countries or specific issues. This means that all too often the hard pressed Assistant Secretary has no one else in the Bureau primarily responsible for assisting him in assessing bureau-wide objectives, priorities, and resources. We will wish, therefore, to explore the desirability of the senior Deputy Assistant Secretary serv-

ing as a full time, year-all "Deputy Manager" of the Bureau, or finding some other management arrangement to meet this need.

We will also wish to explore, among other things, the maturing and expanded use of an extremely promising management device known as the CASP—the Country Analysis and Strategy Paper prepared annually on every country in Latin America.

CASP is an interdepartmental policy document initiated annually by the Ambassador and the Country Team and then reviewed and approved in Washington by the Assistant Secretary, Interdepartmental Group. It relates desired policy to resources. Its preparation is timed to precede the field program budget submissions of all agencies so that policy and operations are joined from the very start of the planning cycle. It requires the Ambassador and his Country Team staff—and in Washington, the Assistant Secretary and Country Director and their counterparts in the other foreign affairs agencies—to identify U.S. interests, to state objectives, to establish priorities and to make judgments on basic U.S. strategy as it relates to the current situation and near-term prospects. Thus, the CASP associates policy planning with decision making, and objectives with budgeted strategies.

In addition, the CASP principle can be expanded to a region-wide concept and can serve as a further management tool for establishing priorities on a region-wide basis.

Now, I am not suggesting that the CASP is a completely matured system or exactly adaptable to other areas. We will ask other bureaus to develop similar management tools, however, geared to their own requirements—and we are pleased to see that the Bureau of African Affairs presently has such an effort underway. Our earlier experiment with the Defense-derived "Comprehensive Country Programming System" was not a happy one. We feel, nevertheless, that the CASP type of approach may be a more practical way to help achieve what the CCPS was designed to accomplish.

Without waiting for the full implementation of a CASP-type system, the Secretary has decided to initiate early this year an annual posture statement. This will be on the "state of our foreign relations," and similar to those statements issued in recent years by the Defense Department. These will not be easy to produce but it is important that the Department's voice be clearly heard in this annual exercise. Eventually the matured CASP system, over and above its value as a management tool, should greatly facilitate the preparation of these annual posture statements.

## XI

Turning now to the field, we are initiating a major and searching review of the role and functions of our diplomatic missions. We shall review the functions and activities of the Government overseas—in priority order—with a view to achieving a better balance among agency representatives and to eliminate all but essential activities. And we intend to strengthen our controls over the numbers of American and local positions required by all agencies in the field.

There are, of course, certain functions common to all Embassies, but we must recognize that our interests, both in character and in intensity, vary enormously from country to country, and our Embassies' organizational and staffing patterns should reflect this variety much more than they do now.

We may conclude that in some posts the traditional

embassy organization. Approved for Release 2002/05/08 : CIA-RDP78-06217A000200030013-8  
courage Ambassadors to use their personnel more flexibly in solving special problems which arise in meeting mission goals. As the President said in his December letter to all Ambassadors, the Chief of the U.S. Diplomatic Mission has "full responsibility to direct and coordinate the activities and operations of all its elements."

## XII

Another basic management question is how we determine our strong points and our weaknesses. We need, I believe, a much enlarged concept of inspection and evaluation which would encompass not only our efforts, but also those of our sister agencies. Not only do we wish to be sure that all components of our Embassy are performing in a coordinated and effective way, but also that our Embassies are sensitively attuned to the most subtle shifts in the President's policies.

Furthermore, I think the time has come again to use the inspection process to evaluate our domestic operations. Some of these will be looked at once every few years. We will wish, however, to inspect certain domestic operations each year.

## XIII

We would like to strengthen the Foreign Service Institute's capacity to provide training, on a reimbursable basis, for the other foreign affairs agencies—thus moving its role more in the direction of an overall national institute for the foreign affairs community. We have been quite successful, in this respect, in the way we have trained a wide selection of Government employees for service in Viet-Nam. Drawing on this experience, therefore, we plan to explore the possibility of setting up, again on a reimbursable basis, regional training centers at the Institute similar in aim and scope to the Viet-Nam Training Center.

We will wish to use FSI as our principal in-house training arm to strengthen the knowledge of our functional specialists. The Institute already has considerable capacity for this, but we will wish to strengthen it in certain specific areas. I have in mind, for example, the importance of all officers in all our functional specialties—especially those in the economic and consular specializations—acquiring a mastery of trade promotion techniques. I believe the Institute can be of considerable help here.

The Institute is also interested in putting greater stress on training in modern management and executive techniques, as well as in developing courses to strengthen—perhaps through the case study method—knowledge of the core skills.

We will wish to continue to support the Institute's valuable and highly successful program to upgrade clerical and secretarial skills, thus both strengthening the resources of the Department and facilitating promotions for many valued employees.

There is one special training imperative I should mention, and that is the American public's need—and right—to know more about our foreign affairs establishment, the policy issues and the men and women who serve their country. As one way of meeting this need, we should do a better job of developing trained public speakers.

We also want to expand our resources by tapping the vast reservoir of talent and experience in the non-governmental foreign affairs community. For example,

we are thinking of establishing a series of scholar-diplomat seminars at the Institute similar to last month's successful pilot project in African studies. In recent years, we have sent a good many of our officers to universities, either as Diplomats-in-Residence or for specialized training. We shall continue to do this, among other reasons, because such contacts are needed to expose the Department to fresh ideas and new insights.

On the subject of outside contacts, we plan to explore the idea of a *State Department Fellows Program* which, like the scholar-diplomat seminars, was suggested by the Foreign Service Association and the International Studies Association. Under the Fellows Program we would exchange some of our best mid-career officers with men in comparable positions in business, the foundations and the communications media. We recognize there are conflict-of-interest problems to be worked out. But in the spirit of the President's Executive Interchange Program with private industry, we would hope at least to be able to send some of our officers on training assignments with business firms.

## XIV

There is an important area of management I have not mentioned: our efforts to modernize information handling. Although it is generally known that we use computers for such things as personnel data management and accounting, I am sure many of you don't know that this "old-fashioned" Department uses its modern computer in a growing number of substantive ways. We have a good many specialists in the building who know a lot about computers. But we do not have nearly enough substantive officers who know what a computer can and cannot do.

Finally, in the field of administrative services, we need to continue:

- improving the efficiency of joint administrative support in the field.
- seeking ways of offering better health and exercise facilities to our employees.
- developing a modern program for dealing with the travel explosion we are facing in the 1970's.
- recommending to Congress the elimination of the visa requirement for 90-day visitors to the U.S. for business and pleasure.
- improving the security of foreign missions in Washington and the security of our personnel in certain areas overseas.
- upgrading our foreign affairs communications around the world.
- studying the relative merits of accrual and obligating budgeting systems.
- examining the alternatives available to use with respect to the future strengthening of the Foreign Service Retirement Fund.
- examining the feasibility and desirability of centralizing in Washington most of the budget and fiscal work, as well as some of the other administrative work, now done in the field.

## XV

You have been most patient in hearing me out.

One does not ordinarily think of the development of management and organization as a great adventure. The effort we are embarked on, however, is just that. And working together, I am convinced we can produce a modern dynamic diplomatic establishment fully geared to the challenges ahead.

None of us can settle for anything less.

## Plow Is Memento Of Bryan Diplomacy

Fifty-five years ago when William Jennings Bryan was Secretary of State he gave the Department Library a unique "Peace Treaty Paperweight" that is of considerable historic interest.

"From William Jennings Bryan to the State Department Library August 13, 1914," is inscribed on the base of the paperweight, which is kept in Librarian Fred W. Shipman's office.

Mr. Bryan had the paperweight—and 30 others like it—made at the Washington, D.C., Navy Yard of the steel and nickel of melted swords.

"The Peace Treaty Paperweight," fashioned in the shape of a plow, bears this inscription from the Biblical Book of Isaiah: "They shall beat their swords into plowshares."

Secretary Bryan presented the 30 other plowshare paperweights to diplomats who signed the "Bryan Peace Treaties."

The treaties required each signatory nation, when confronted with an international impasse, to wait a year before declaring hostilities against another nation.

Thus there is inscribed on one side of the plow's beam, "Diplomacy is the art of keeping cool."

On the other side of the beam is the inscription, "Nothing is final between friends," a Bryanism with a history . . .

Soon after Woodrow Wilson assumed the Presidency, it looked very much as if Japan and the United States would have serious difficulties over laws passed by the State of California discriminating against Japanese subjects.

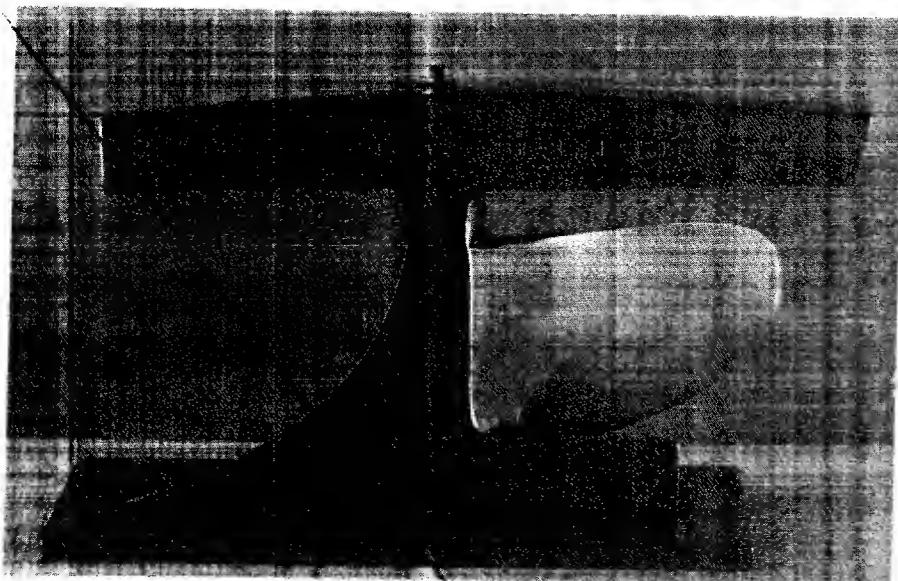
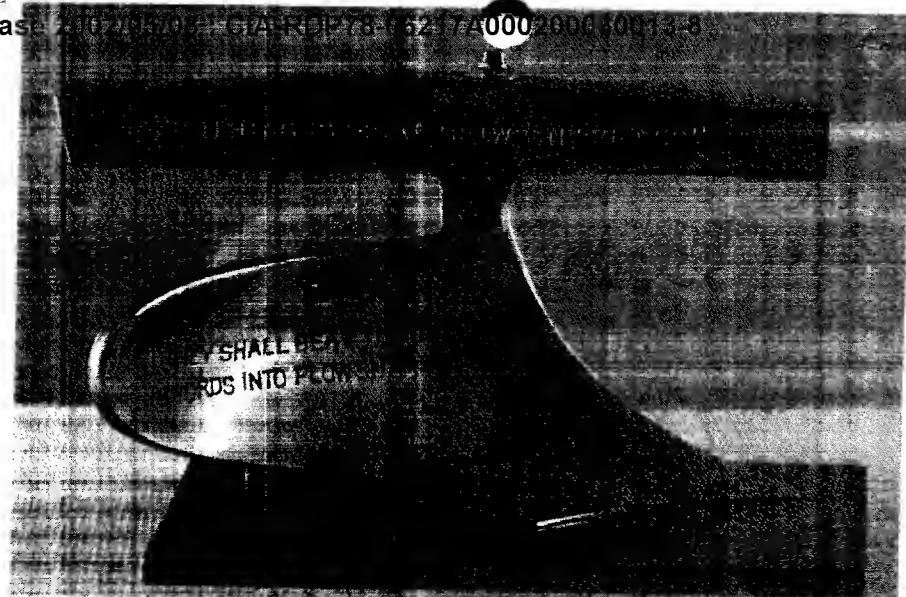
Mr. Bryan carried on numerous diplomatic conversations with the Japanese Ambassador, to no avail.

The Ambassador arose after one meeting and asked stiffly if what Secretary Bryan had just said was his final word.

"Nothing is final between friends," replied Secretary Bryan.

The Ambassador sat down and held further discussions with Mr. Bryan until a final agreement was reached.

William Jennings Bryan—"The Great Commoner"—always believed that his kind and friendly response saved the day.



## Medical Lab To Help National Center

The Department's Medical Laboratory has been chosen by the National Communicable Disease Center (NCDC) in Atlanta, Ga., to help check on other laboratories throughout the United States.

In a letter to the Office of Medical Services (O/MED), David Kirsh, Ph.D., Assistant Chief, Licensure and Performance Evaluation Service, NCDC, wrote:

"Because of the high calibre of the work done in your laboratory, we would appreciate your laboratory serving as a referee for the proficiency testing program in the field of parasitology."

Alice T. Marston, Ph.D., Laboratory Supervisor, and W. G. McCarren, M.S., Microbiology Consultant, both of O/MED, told Dr. Kirsh they

would be "pleased and honored to serve."

Federal legislation requires that laboratories soliciting or accepting specimens in interstate commerce must be licensed by the Secretary of Health, Education, and Welfare.

One of the licensure requirements is that a laboratory must participate in a proficiency testing program.

The referee laboratories will perform the same proficiency tests requested of the licensed laboratory.

*Communist China*, a 32-page pamphlet, was recently released by the Department. The pamphlet is the fourth in the series of "Issues in United States Foreign Policy" being published by the Bureau of Public Affairs.